SECURE 2.0 Amendment Process Frequently Asked Questions

Q. What is SECURE 2.0?

A. The SECURE 2.0 Act of 2022 introduced a range of updates affecting qualified retirement plans. Many of these changes, including those related to long-term, part-time employees, Roth catch-up contributions, super catch-up contributions, and required minimum distributions have already been implemented operationally for your plan over the past several years.

Q. What plan document changes are required to comply with SECURE 2.0?

A. The IRS requires plans to be formally amended to reflect the SECURE 2.0 language. The deadline to complete this amendment is December 31, 2026.

Q. When will I receive the SECURE 2.0 amendment?

A. The document team will begin delivering SECURE 2.0 amendments at the end of July with all plans receiving their amendment by October 31, 2026.

Q. If I terminate my plan, is the SECURE 2.0 amendment still required?

A. Yes, the SECURE 2.0 amendment is required for terminating plans as well. We will prepare a SECURE 2.0 amendment along with the plan termination resolution for Plan Sponsors terminating the plan during this amendment period.

Q. Can we wait and adopt SECURE 2.0 with the Cycle 4 Restatement document?

A. Although the SECURE 2.0 amendment deadline has been extended previously, to allow for additional guidance and adoption, the IRS has indicated the deadline will not be extended beyond this December.

We anticipate the Cycle 4 plan document restatement period will open later this year and run through 2028. While we look to combine plan document updates wherever possible when regulatory deadlines allow, IRS has confirmed that the SECURE 2.0 amendment cannot wait until the Cycle 4 document is adopted and that it must be adopted by the end of 2026.

Q. As a Plan Sponsor, what do I have to do?

A. We will provide detailed instructions with the delivery of your plan's amendment. Depending on the plan document your plan utilizes, you may be required to electronically sign the plan amendment. If so, we will provide a DocuSign document to make that process easy for you.

Once you have signed the plan amendment, if applicable, a copy will be available on the portal (similar access as you used to retrieve the Annual ERISA Compliance Review (AECR)). You will need to save a copy of this amendment with your permanent plan records and also distribute a copy of the Summary of Material Modifications (SMM) to all eligible employees.

The delivery email you receive will include the specific steps and a link for easy retrieval.

Q. Do I need to make any elections with regards to the SECURE 2.0 provisions?

A. No, we are preparing your plan's SECURE 2.0 amendment to ensure compliance and alignment with current administrative and recordkeeper capabilities. The amendment will include all required provisions and add discretionary provisions to support efficient plan administration and participant experiences. Many of these provisions, like the involuntary distribution provision are already being utilized by your plan operationally.

The Cycle 4 restatement period will provide an opportunity to conduct a broader review of your plan design and potentially incorporate other optional provisions as well in the next two years.

A summary of the various provisions can be found here [insert hyperlink to the chart].

Q. Can we utilize these SECURE 2.0 provisions prior to receiving the SECURE 2.0 amendment for adoption?

A. Yes, the provisions being added via the SECURE 2.0 amendment may be utilized operationally in advance of adopting the SECURE 2.0 amendment.

Q. If there are other changes I'd like to make to my plan design now, can I do those at the same time as the SECURE 2.0 amendment?

A. No, the SECURE 2.0 amendment is a standalone "tack-on" amendment to the plan's existing document. Any discretionary changes you'd like to make to your plan's design will require a separate amendment for execution.

Q. Are there updates required to the recordkeeping system to align with SECURE 2.0?

A. Yes, the system will need to be updated to reflect the various SECURE 2.0 provisions. We will be coordinating those system updates as part of the process. No additional action is required by the Plan Sponsors.

Q. Are there any fees for the SECURE 2.0 amendment?

A. Yes, fees for the SECURE 2.0 amendment will be invoiced based on the plan's service agreement.

Q. Can the plan's forfeiture account or assets be used to pay the amendment fee?

A. Yes, the fee for this amendment would be considered a permissible expense to be paid from plan assets or forfeiture account.